

Good afternoon, Chairmen Thornberry and McCain, Ranking Members Smith and Reed, and Members of this Conference Committee. Thank you for the opportunity to participate in this conversation today. I'd like to recognize the efforts of the Armed Services Committees and the Committees on Small Businesses for working together to come to an agreement on many of the important small business provisions in this year's John S. McCain National Defense Authorization Act.

In this regard, I'd like to specifically highlight House Section 852, which I included as an amendment to the Chairman's Mark and was successfully adopted in the House version of this year's NDAA. The life-line of small businesses is their cash flow -- on a daily basis, small defense contractors must meet payroll, overhead, debts, and other expenses in order to meet the needs of our military and defense agencies. Lacking the buffer that large, established prime contractors have, small businesses must keep a close watch of their financials in order to maintain operability. In sum, small contractors' number one concern is whether they will be paid timely and efficiently, so that they can continue to remain open for business. This is why Section 852 is important; it creates certainty that small business prime and subcontractors will be paid, not only on time by the federal government, but at an accelerated pace so that they can continue to innovate and add value to our defense supply chain. I hope that the final Conference report includes this commonsense reform.

I'd also like to bring attention to House Section 823, which would authorize the head of an agency to establish a preference for offerors that employ veterans in the awarding of a contract for DOD procurement activity. With this provision, the Secretary of Defense would determine

the preference criteria and brief Congress on the process for verifying offeror compliance. While set-aside contracts available for veteran-owned businesses are employed by the Department of Defense, language passed out of the House Armed Services Committee affirmed that procurement policy should also incentivize the employment of veterans, as not every veteran will have the resources to start his or her own company to compete for DOD contracts. House Section 823 preserves competition within DOD procurement, but orients policy in the right direction toward encouraging veteran employment.

Next, I respectfully urge the conferees to include the House-passed \$105 million to build the new EQ-4 Global Hawk with the Battlefield Airborne Communication Node payload. The EQ-4 Global Hawk cost-effectively bridges communication and information sharing gaps between disparate platforms, operations centers, and troops on the ground. It provides communication, real-time information sharing, and battle space awareness that would otherwise not be available. We must keep this capability viable as it supports operations every day in theater, while also meeting growing demand from Combatant Commands.

I'd also like to note that the House and Senate appropriators increased F-35 procurement by 16 and 12 jets, respectively, and that our final conference outcomes should **at a minimum** fund the 77 aircraft in the House bill and include the language that authorizes DOD to procure more than 77 if cost savings are found in the contracting process.

Another crucial capability that must be addressed in this year's conference report is the AGM-88 Advanced Anti-Radiation Guided Missile. The AARGM is a supersonic, air-launched missile

used for lethal suppression of enemy air defense systems and is qualified for use by all F-18 variants. The Senate proposed reductions would significantly curtail production of AARGM by 200 missiles and halt development of the Extended Range version of the missile. Production funding is required to meet theater munition requirements, and the proposed reductions would result in a production line shutdown, risk the loss of key vendors, and increase costs to reconstitute production. The AARGM-Extend Range is currently the only SEAD weapon programmed for integration on the F-35, and any reduction to AARGM-ER will delay initial operating capability and create a gap in SEAD weapons capability. I respectfully urge my Senate colleagues to recede to the House position in the conference bill.

Lastly, The House bill authorizes an additional \$58 million for the U-2 program to restore an aircraft to flying status and to quicken advanced sensor development to bring much more capability to our high altitude surveillance fleet. The House appropriators also provided this funding and the Senate appropriators partially funded these needs. Our final product should fully authorize this additional funding. The U-2 fleet is critical to our strategic and tactical surveillance requirements and we need to add not only capacity, but capability to maintain our edge.

Thank you again for the opportunity to engage in these critical discussions, and for the dedication of all those in this room to our nation's armed forces.